

5% solution questions

1. What is the 60/40 strategy? What are that strategy's historical returns and implied future returns?
2. What are the possible interpretations of the implied future returns? Under what scenarios will we get higher/lower returns?
3. What is AQR's solution for achieving 5% investment returns?
4. What is an easy to implement and feasible way to achieve low cost leverage?
5. Explain the merits of a constant portfolio variance risk management strategy.